

Opening Statement of the Honorable Fred Upton
Subcommittee on Communications and Technology
Hearing on "Oversight of the Federal Communications Commission"
July 10, 2012
(As Prepared for Delivery)

We have a couple of newcomers at the witness table today. Let me begin by offering a warm welcome to recently confirmed Commissioners Jessica Rosenworcel and Ajit Pai.

This is an exciting time. We passed landmark spectrum legislation this year that will help kick-start our economy, promote investment and jobs, and provide Americans access to new and innovative services. The legislation does this by putting more frequencies in commercial hands as the Internet goes mobile and demand for wireless broadband grows exponentially.

First, it requires the FCC to auction 65 megahertz of particular spectrum within the next three years. Chairman Genachowski, I look forward to hearing your plans for this spectrum, including the frequencies from 2155 to 2180 megahertz, which are ideally suited for pairing with the spectrum from 1755 to 1780 megahertz.

Second, the legislation authorizes the FCC to conduct incentive auctions, in which the government shares some proceeds with licensees, including broadcasters, that voluntarily return spectrum to be auctioned for broadband services. I am eager to learn when you will start implementing the incentive auctions and when you think the broadcast incentive auction will take place. I also want to reinforce what we required in the legislation: that the FCC not preclude parties from participating in the auction. The FCC should not be picking winners and losers, and the more robust an auction, the more successful it will be.

I would also like to hear about your plans for special access services. I am glad you chose not to move forward with the draft order that would have suspended the current pricing flexibility regime even though parties had petitions pending. This regime was put in place by a Democrat-led FCC to allow limited deregulation where the parties demonstrate the presence of competition. As you know, we have made good process a priority this Congress, and it would have been inappropriate to change the rules in the middle of the game.

I understand you may be redrafting the item. I am interested to know whether you will first move forward with a mandatory data collection, as reported, to determine whether changes are appropriate and, if so, what kind. I also want to make sure that you keep in mind the purpose of the pricing flexibility regime: to gradually stop applying some old rules to old technology in the presence of competition, not to start imposing new rules on new technology, like fiber facilities and Ethernet services designed for the broadband world.

I also look forward to hearing about the impact of the massive storm that swept from the Midwest through the Mid-Atlantic region just over a week ago. There were reports that phone service and 9-1-1 call centers were down. How extensive was it? What were the causes? What can we do to prevent these types of problems?

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